

**SECOND ADDENDUM TO THE
MEMORANDUM OF UNDERSTANDING
GOVERNING LISTING MATTERS**

Securities and Futures Commission

and

The Stock Exchange of Hong Kong Limited

28 June 2023

SECOND ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING GOVERNING LISTING MATTERS

Between: **Securities and Futures Commission (SFC) of
54/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong**

And: **The Stock Exchange of Hong Kong Limited (SEHK) of
8/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong**

Background

1. The SFC and SEHK are parties to a Memorandum of Understanding Governing Listing Matters dated 28 January 2003 (the **2003 MOU**) which set out their respective roles and responsibilities in relation to listing matters.
2. On 9 March 2018, the SFC and SEHK entered into the “First Addendum to the Memorandum of Understanding Governing Listing Matters” (the **First Addendum**) following the *Joint Consultation Conclusions on Proposed Enhancements to The Stock Exchange of Hong Kong Limited’s Decision-making and Governance Structure for Listing Regulation*. The 2003 MOU as supplemented by the First Addendum is referred to as the “**MOU**”.
3. In view of the introduction of “Fast Interface for New Issuance” (**FINI**), which is the online platform operated by Hong Kong Securities Clearing Company Limited that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings, the SFC and SEHK have agreed to enter into this Addendum to reflect consequential amendments to certain provisions of the MOU to facilitate the FINI implementation and to make certain housekeeping amendments.
4. This Addendum is made pursuant to paragraphs 11.2 and 11.3 of the MOU. This Addendum is known as the “Second Addendum to the Memorandum of Understanding Governing Listing Matters”. This Addendum is supplemental to and forms part of the MOU, and shall be read in conjunction with the MOU unless otherwise stated; and the MOU as supplemented by this Addendum is referred to as the “**2023 MOU**”. All references to “this MOU” in the MOU, including in paragraphs 11.2 and 11.3, shall hereinafter mean the 2023 MOU.
5. Except as otherwise defined, words and expressions used in this Addendum shall have the same meanings as given to them in the MOU. Except as otherwise stated, references to particular sections and paragraphs in this Addendum shall mean those sections and paragraphs as set out in the MOU.

Amendments to the MOU

The SFC and SEHK agree to amend certain provisions of the MOU in the manner as provided in this Addendum as follows with effect from 28 June 2023:

(A) The following amendments in paragraph 4 are agreed (additions underlined and deletions struck through):

4.4 The Listing Rules contain detailed requirements that relate to, among other things, the following matters:

...

(d) disclosure of inside price-sensitive or material events and information;

...

(g) certain categories of transactions of listed issuers, including, as defined in the Listing Rules, “connected transactions” under Chapter 14A and “notifiable transactions”; under Chapter 14 which means a transaction classified as a share transaction, in turn, include share transactions, ~~connected transactions~~, discloseable transactions, major transactions, very substantial disposals or acquisitions under rule 14.06 and, pending amendments to the Listing Rules, very substantial disposals, or a transaction classified as a reverse takeover or extreme transaction under rule 14.06B or 14.06C; and

...

4.5 SEHK acknowledges and agrees that, in discharging its responsibilities as the frontline regulator of all listing-related matters, it shall:

(a) ensure, so far as reasonably practicable, the due and proper observance by listed companies, their directors, as well as any other parties who are subject to the jurisdiction of the SEHK, ~~controlling shareholders, sponsors, authorized representatives, and any other market users~~ of the provisions of the Listing Rules and of any obligations imposed on such persons thereunder;

...

(c) maintain a suitable financial statements review program with a view to encouraging high standards of financial disclosure and to detect instances of improper disclosure, including through SEHK’s participation in the Professional Standards Monitoring Committee of the Hong Kong Society of Accountants;

...

(e) maintain proper files, records, and systems of all transactions and other matters proceeded by the Listing Division, the Listing Committee, and the Listing Review Appeals Committee so far as necessary for the proper regulation of listing-related matters; and

(B) The following amendments in paragraph 7 are agreed (additions underlined and deletions struck through):

7.7 [Deleted.]The parties agree to study the feasibility and desirability of developing a document control and filing system providing for a shared electronic database that would allow the SFC access to copies of materials

~~relating to any listing application in satisfaction of SEHK's obligations under paragraph 7.3 above.~~

...

- 7.10 *Capitalisation Issues, Scrip Dividends, Pre-emptive Offers, Substitutions, and Employee Share Schemes*~~Options~~. Rule 4 of the Rules provides that the statutory filing requirements for listing applications do not apply to the listing of securities arising from certain specified corporate activities. For ease of reference, these exemptions are set out in Appending III to this MOU.

...

- 7.14 FINI. Upon the launch of "Fast Interface for New Issuance" (FINI), which is the online platform operated by Hong Kong Securities Clearing Company Limited that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings, the SFC and SEHK may receive via FINI (i) information and regulatory submissions relating to a new listing application from a listing applicant through its advisers and agents who are FINI users; and (ii) submissions / declarations from overall coordinators, sponsors and distributors regarding their compliance with the relevant Listing Rules in respect of their roles in a new listing application as FINI users, in each case, in accordance with the Electronic Transactions Ordinance, Cap. 553 (ETO), SEHK may also, with the prior agreement of the SFC, designate any other electronic submission platform for listing applicants, listed issuers and/or their respective advisers and agents to provide information and regulatory submissions electronically from time to time.

- (C) The following amendments in paragraph 8 are agreed (additions underlined and deletions struck through):

- 8.4 SEHK acknowledges and agrees that it shall:

- (a) use all reasonable endeavours to obtain the necessary written authorization from listed issuers for its accepting all statutory filings on behalf of the SFC, ~~and put in place the appropriate amendments to the Listing Rules as soon as possible to make this a requirement on issuers;~~

...

- 8.5 ~~[Deleted.]The parties agree to study the feasibility and desirability of developing a document control and filing system providing for a shared electronic database that would allow the SFC access to copies of materials relating to any listed issuer in satisfaction of SEHK's obligations under paragraph 8.4(c) above.~~

- 8.6 *Takeovers-Related Matters and Share Repurchases*. The parties acknowledge and agree that their respective roles in the administration of takeovers-related matters and share repurchases (other than on-market share repurchases) shall be governed by the procedures outlined in Appendix VII.

~~SEHK agrees that it shall put in place the appropriate clarification in the Listing Rules as soon as practicable to reflect these procedures.~~

(D) The following new paragraph 8A shall be added after paragraph 8.6:

8A. Use of Electronic Signatures and Electronic Records

8A.1 With respect to information and regulatory submissions provided by a listing applicant, a listed issuer and/or its respective advisers and agents, the parties agree that:

(a) the submission via FINI or (with the prior agreement of the SFC) any other electronic submission platform designated by SEHK from time to time, of information and documents required by section 5 or section 7 of the Rules shall be treated as a filing for the purposes of section 5 or section 7 of the Rules; and SEHK shall require listing applicants and listed issuers to authorize SEHK to file the aforesaid information and documents with the SFC in accordance with section 5(2) or section 7(3) of those Rules accordingly;

(b) an electronic signature may be used to authenticate or approve the electronic record of information and regulatory submissions provided via FINI or (with the prior agreement of the SFC) any other electronic submission platform designated by SEHK from time to time in such manner as may be prescribed in the applicable user guide of the electronic submission platform; and

(c) for the purposes of the ETO, they accept and consent to the receipt of information and documents in the form of electronic records and the use of electronic signatures attached to or associated with information and documents provided via FINI or (with the prior agreement of the SFC) any other electronic submission platform designated by SEHK from time to time.

(E) The following amendments in paragraph 10 are agreed (additions underlined and deletions struck through):

10.2 ~~[Deleted.]The parties agree to study the feasibility and desirability of developing a document control and filing system providing for a share electronic database in satisfaction of SEHK's obligations under paragraphs 10.1(a) and (b) above.~~

10.3 *Liaison Meetings.* The parties agree to hold ~~monthly~~ “Listing Matters Liaison Meetings” from time to time to discuss:

...

(F) The following amendments in paragraph 11 are agreed (additions underlined and deletions struck through):

11.1 ~~[Deleted.]For the benefit of listing applicants, listed issuers, and their advisers, the SFC and SEHK have developed and agreed upon certain standard forms as set out in Appendix VIII.~~

(G) The following amendments in Appendix III to the MOU are agreed (additions underlined and deletions struck through):

5. Employee share ~~option~~ schemes

Listing of shares issued or allotted ~~pursuant to the exercise of options granted~~ to existing employees as part of their remuneration under a share scheme approved by the shareholders of the corporation in a general meeting which complies with the relevant requirements set out in Chapter 17 of the Main Board Listing Rules or Chapter 23 of the GEM Listing Rules.

(H) The following amendments in Appendix IV to the MOU are agreed (additions underlined and deletions struck through):

2. Non-employee share ~~option~~ schemes

Listing of shares issued or allotted ~~pursuant to the exercise of options granted~~ to non-employees under a share scheme which complies with the relevant requirements set out in Chapter 17 of the Main Board Listing Rules or Chapter 23 of the GEM Listing Rules;

(I) The entire Appendix VIII to the MOU shall be deleted.

Except to the extent as amended by this Addendum, the MOU shall remain in full force and effect in accordance with its terms.

Date: 28 June 2023

SIGNED for and on behalf of)
the Securities and Futures Commission)
BY JULIA LEUNG)
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SIGNED for and on behalf of)
The Stock Exchange of Hong Kong Limited)
BY NICOLAS AGUZIN)
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